

CITY OF CASA GRANDE

POPULAR ANNUAL FINANCIAL REPORT

A GROWING HORIZON | FISCAL YEAR ENDING JUNE 30, 2018

CASA GRANDE CITY HALL

WHAT'S INSIDE

3



LUCID MOTORS ROARS INTO TOWN

3

**ATESSA MOTORSPORTS
COMPLEX REVS UP**

4

**NEW STRATEGIC PLAN
UNVEILED**

4

HOME STARTS SKYROCKET

4

**WHERE DO YOUR TAX
DOLLARS GO?**

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MESSAGE FROM MAYOR MCFARLAND



2018 was a strong year for the City of Casa Grande as we moved forward with our growth agenda. We attracted exciting new businesses, opened two new schools, enjoyed record attendance at our family-friendly city events, and saw new housing starts jump significantly across the city.

We completed a historic development agreement with Lucid Motors which will break ground on a \$700 million manufacturing plant in 2019. The Lucid plant will create thousands of new jobs and billions of dollars in new economic activity over the next 20 years. Additionally, there are other large businesses in the development pipeline. They were attracted to Casa Grande because of our new infrastructure, transportation links, skilled workforce, and a business-friendly environment.

We made tremendous progress on quality of life initiatives outlined in our new strategic plan. Construction began on Casa Grande's first Community Recreation Center, and major renovations were approved for two of our largest green spaces, Carr McNatt Park and Dave White Park. Our family oriented events attracted a record number of participants, and we held our first MOSAIC Festival, a new cultural event that showcased Casa Grande's rich heritage and diversity, and burgeoning artistic community.

Despite economic challenges faced by many cities, our financial position remains strong with a balanced budget, a AA bond rating, and low tax rates that encourage business and residential growth.

We are proud of our accomplishments, and we're excited about new opportunities that will help us continue to build a healthy, sustainable, family-friendly community, and make Casa Grande truly a place to live, work, and play.

2017-18 CITY COUNCILMEMBERS



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LUCID MOTORS PLANT TO DRIVE LOCAL ECONOMY

Electric car maker Lucid Motors is set to break ground on a state-of-the-art assembly plant in Casa Grande in 2019 after formally signing development agreements with the city and Pinal County. Lucid will eventually produce up to 130,000 vehicles a year at the facility starting with its inaugural model, the Lucid Air.

The plant will create thousands of new jobs and drive billions of dollars in related economic activity. Lucid joins electric truck maker Nikola Motor Company, which announced plans to build its new assembly facility nearby, in accelerating the region's fast-growing reputation as a high-tech hub for advanced manufacturing.

Lucid chose Casa Grande after an extensive search across 13 states and over 60 sites. Lucid leaders said Casa Grande was selected because of its shovel-ready site, newer infrastructure, access to a skilled workforce, Arizona's business-friendly climate, and extensive road and rail links to their supply chain partners in the Arizona-Sonora region.

"We are proud to be moving forward with our commitment to manufacturing the Lucid Air in Casa Grande," Lucid Motors Chief Technology Officer Peter Rawlinson said. "The Lucid Air

is a cutting-edge electric vehicle designed, engineered, and destined for manufacture entirely in America. This is a great example of how a high-tech company can create quality jobs and a positive economic impact in the communities where it operates."

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The firm's all-electric Lucid Air has a range of over 400 miles and is designed to compete with Tesla and other high-end electric vehicles.

"We are pleased that Lucid chose to build their manufacturing facility in Casa Grande," said Casa Grande Mayor Craig McFarland. "Not only will Lucid bring thousands of good paying jobs to the area, but it anchors our efforts to attract high-tech businesses and continue to develop a highly skilled workforce for advanced manufacturing."



DEVELOPMENT PROJECTS



Attesa Motorsports Complex

After recently completing development and zoning agreements with Pinal County, Attesa is moving forward on a \$500 million motor sports center. The project will include two 2.8-mile road courses, a karting track, a driver experience center, a hotel and convention center, restaurants, shopping, and a private airport.



LKQ Warehouse/Office Complex

LKQ Corporation, a global auto parts recycling company, recently completed a 107,000 square-foot warehouse/office space complex on 120 acres of land at the northwest corner of Thornton and Peters Roads. The project includes room for further expansion.

GROWING TOGETHER



COMMUNITY RECREATION CENTER

Construction is underway on the city's \$18.2 million Community Recreation Center at 1905 N. Peart Road, between Kortsen Road and Cottonwood Lane. The 55,000 square foot facility will feature a gym, walking track, teen area, fitness loft, activity rooms, offices, and an outdoor area for events. The Boys and Girls Clubs of Casa Grande Valley will be leasing a portion of the building to provide programming for kids and teens. The Community Recreation Center is scheduled to open in the spring of 2019.



NEW SCHOOLS

The new Casa Grande Middle School and Saguaro Elementary School opened their doors to students this past fall. Construction of the two schools, which have a shared campus, was made possible by a \$44 million bond issue passed by voters in 2016.

An emphasis on science and engineering led to creating a "makerspace" where students can work hands-on with different types of technology including robotics and the latest computer applications.

FAMILY FRIENDLY EVENTS



COWBOY DAYS
AND
O'ODHAM TASH



CATFISH RODEO



4TH OF JULY



ELECTRIC LIGHT PARADE



HALLOWEEN
FAMILY FRIGHT
NIGHT



HOUSING BOOM

Thanks to business growth, new jobs, and a family-friendly, small town atmosphere, housing starts jumped in FY 2018.

Building permits percentage increases from FY 2017:

+20% Single Family Homes

+49% Manufactured Homes

79% increase in construction value (\$88.9 million)

BY THE NUMBERS



9,874 BUILDING
INSPECTIONS PERFORMED



1,711 VICTIMS SERVED BY
CITY ATTORNEY'S OFFICE



49,871 ROUNDS OF GOLF
PLAYED (18-HOLE ROUNDS)



21,695 HOME DELIVERED
MEALS PROVIDED



288,885 PARKS AND
RECREATION ATTENDANCE



1.74 BILLION GALLONS OF
WASTEWATER TREATED



1,817,356 CITY
FLEET MILES



267,692 VISITS TO BOTH
LIBRARY BRANCHES



6.83 MINUTES AVERAGE
POLICE RESPONSE TIME



9,186 FIRE DEPARTMENT
EMERGENCY CALLS



30,920 CALLS FOR SERVICE
TO POLICE DEPARTMENT



254,203 FEET OF PAVING
STRIPING ON CITY STREETS

STRATEGIC PLAN

To view the strategic plan, go to www.casagrandeaz.gov and type "strategic plan" into the search box.



In January 2018, the Mayor and City Council, along with the city's Executive Leadership Team, began a strategic planning process that created a unified visioning document. Through this process, the Mayor and City Council developed focus areas and goals to outline the direction of the city for the next five years. The five identified focus areas are:

- Fiscal Responsibility
- Quality of Life
- Marketing
- Infrastructure
- Education



The City's Executive Leadership Team developed action items to accomplish the City Council's goals within the five focus areas. The final product of this collaborative effort was a strategic plan that was adopted by the City Council in June 2018. Highlights of the plan include:

- Analyze and evaluate 5 City programs or services a year to ensure efficiency and effectiveness against the private sector
- Allocate 5% of the City's General Fund resources to blight removal and improvement over 5 years (1% a year)
- Create an image of the City that 90% of businesses rate favorably within 5 years
- Identify and fund a transit plan within 5 years

SUMMARY OF OTHER FUNDS



SPECIAL REVENUE FUNDS

REVENUE: \$3,723,894

EXPENSES: \$3,010,498

The city maintains twenty special revenue funds, including funds dedicated to streets, airport, park development, senior services, court and housing. The uses and limitations of each special revenue fund are specified by city ordinance or federal or state statute.

INTERNAL SERVICE FUNDS

REVENUE: \$9,521,946

EXPENSES: \$10,298,543

Internal service funds reflect activities in which the city is the customer. Fleet services, facilities maintenance, and risk management are the city's three internal service funds. Their purpose is to account for vehicle maintenance and facilities services to city departments, as well as insurance costs and risk management.

DEBT SERVICE FUNDS

REVENUE: \$2,427,943

EXPENSES: \$5,822,630

These funds are used to account for the accumulation of resources for and the payment of general obligation long-term debt principal, interest, and related costs.

ENTERPRISE FUNDS

REVENUE: \$19,183,097

EXPENSES: \$14,992,762

These funds are used to account for operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing services to the public are financed or recovered primarily through user charges. The city maintains separate enterprise funds for water, wastewater, sanitation, and the golf course.

*Revenues and expenditures listed above do not include transfers.

GOVERNMENTAL FUNDS OVERVIEW REVENUE AND EXPENSES

The total expenditures for the City of Casa Grande, excluding transfers for FY2018 was \$64,375,396. Of that total, 65% or \$41,632,876 was for General Fund Use. Other governmental funds are created to account for specific activities, and include special revenue funds, internal service funds, capital projects, and enterprise funds.

The General Fund is the primary operating fund of the City of Casa Grande. It's used to pay for the services typically associated with government, such as fire and police protection, parks and recreation, planning and community development, and the general administration of the city.



WHERE DID THE MONEY COME FROM? (GENERAL FUND)

SOURCE	FY 2017	FY 2018
City Sales Tax	\$19,22,356	\$20,355,781
Intergovernmental Revenue	\$13,728,925	\$15,166,255
Property Tax	\$3,667,115	\$3,820,862
Franchise Tax	\$2,449,704	\$2,502,845
Fines	\$854,556	\$873,169
Rental and Sale of City Property	\$222,969	\$240,734
Charges for Service	\$1,134,068	\$917,628
Investment Earnings	\$111,706	\$187,728
Contributions and Donations	\$8,112	\$26,369
Licenses and Permits	\$981,525	\$1,211,872
Miscellaneous	\$311,484	\$63,409
GRAND TOTAL	\$42,692,520	\$45,366,652

HOW WAS THE MONEY SPENT? (GENERAL FUND)

SOURCE	FY 2017	FY 2018
Animal Control	\$458,773	\$481,282
Communications	\$1,543,073	\$1,868,547
Court	\$673,002	\$669,439
Culture and Recreation	\$5,949,701	\$5,970,927
Fire	\$8,334,175	\$9,016,559
General Government*	\$7,631,526	\$7,463,256
Other	\$2,433,693	\$3,614,867
Planning & Econ Dev	\$1,831,067	\$2,039,761
Police	\$12,927,718	\$12,941,898
Public Works	\$1,159,563	\$1,111,264
* Includes City Attorney, City Clerk, City Manager, Finance/IT, Human Resources, Mayor & Council		
GRAND TOTAL	\$42,942,291	\$45,177,800



ANNUAL BUDGET: PROCESS AND TIMELINE

The annual budget process is an ongoing effort that combines the input of citizens, direction by Mayor and City Council, and recommendations by staff. This multifaceted approach is key in order to ensure that the needs of the community are met. Citizens are always encouraged to participate in this critical process.



CITY SALES TAX

In FY2018, the total local tax collections by the City of Casa Grande equaled \$20,355,781, \$1,133,425 more than the \$19,222,356 reported in FY2017.

The increase in sales tax revenue is attributed to one time revenues and continued growth in Casa Grande's local economy which was driven by increased commercial and residential construction, new businesses, and strong consumer spending.

PROPERTY TAX

Casa Grande residents experienced a slight decline in their property tax rate during FY 2018. The primary property tax rate decreased slightly from 0.9999 to 0.9905 per \$100 of net assessed value. The secondary property tax rate remained constant at 0.6010 per \$100 of net assessed value. The combined property tax rate is 1.5915. Compared to four nearby cities in Pinal County, Casa Grande residents continue to have one of the lowest property tax rates in the region.

Primary taxes are used to fund general government operations including police, fire, and recreation services. Secondary taxes go toward interest and principal payments on voter approved general obligation bonds issued by the city for capital improvements, such as streets, libraries, public safety, court, and other public buildings.

AWARDS AND ACCOLADES

#14 MOST GIVING CITY IN THE US
TRAVELOCITY

#19 SAFEST CITY IN ARIZONA
SAFE HOME.ORG

AWARD FOR EXCELLENCE IN FINANCIAL REPORTING
GOVERNMENT FINANCE OFFICERS ASSOCIATION

**AWARD FOR OUTSTANDING ACHIEVEMENT IN
POPULAR ANNUAL FINANCIAL REPORTING**
GOVERNMENT FINANCE OFFICERS ASSOCIATION

AWARD FOR DISTINGUISHED BUDGET PRESENTATION
GOVERNMENT FINANCE OFFICERS ASSOCIATION

PLAYFUL CITY USA
DESIGNATION BY KABOOM!

TREE CITY USA
NATIONAL ARBOR DAY FOUNDATION

BEST EVENT (FIRST PLACE) "ELECTRIC LIGHT PARADE"
"BEST OF THE GRANDE" CASA GRANDE DISPATCH

BEST WEBSITE (SECOND PLACE)
"BEST OF THE GRANDE" CASA GRANDE DISPATCH



This report is a summary of the unaudited financial activities of the City's funds reported in the Comprehensive Annual Financial Report (CAFR). It contains information only from selected funds. The CAFR contains more detailed information and outlines the City's financial position and operating activities each year. These financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). The CAFR, Annual Budget, and Annual Report are available at www.casagrandeaz.gov or at 510 E. Florence Boulevard, Casa Grande, AZ.

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